in October, 1989. This was done in accordance with the provisions of para 179 of the Import-Export Policy (1988—91).

Shares of Public Financial Institutions in Modi Rubber Ltd. Modipuram

*123. SHRI SURENDER SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various public financial institutions hold more then fifty per cent of shares in Modi Rubbers Ltd., Modipuram;

(b) whether malpractices such as black marketing, leakage of funds, tax evasions etc. committed by the management of the company have come to the notice of the financial institutions;

(c) if the answer to part (b) above be in the affirmative, what are the details thereof : and

(d) what action has been taken by the financial institutions to project their interests in the company?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI) : (a) to (d) It has been reported by Industrial Finance Corporation of India (IPCI) that financial institutions namely, Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IPCI), Unit Trust of India (UTI), Life Insurance Corporation and the nationalised banks together hold nearly 51 per cent of the total share capital of Modi Rubber Limited (MRL). To protect their interest and to ensure proper financial discipline, the Company's Board has been reconstituted with an independent Chairman and suitable institutional representation on it. In addition, there is a Management Committee which includes institutional nominees and is presided over by an independent Chairman. Institutional nominee is also on the Audit Sub-Committee of the Board. An independent professional whole-time Finance Director has been appointed by MRL.

IFCI has reported that no specific case of black marketing, leakage of funds, etc. has come to their notice. It has further reported that the Company is contesting the income tax and excise liabilities raised and is taking up the matters with the concerned authorities. However, as indicated above, institutions have initiated suitable steps for maintenance of financial discipline in the Company, resulting in improvement in the financial performance.

Fraud cases in Nationalised Banks

*124. CHOWDHRY HARI SINGH:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to state:

(a) what is the percentage rise in bank fraud cases during 1989-90 as compared in those detected in 1988-89;

(b) what are the names of the nationalised banks in which there is an upward trend of such cases stating the estimated amount involved;

(c) what is the number of cases resulting in convictions/dismissals stating the rank of the officials involved during 1988-89 and 1989-90; and

(d) what measures have been taken by Government to plug the loopholes so as to effectively check such fraud cases in the nationalised banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The Reserve Bank of India has reported

that the number of cases of fraud in public sector banks in India during 1989 (calendar year) decreased to 1584 as compared to 1837 cases in 1988 (calendar year), whereas the amount involved therein increased from Rs. 29·59 crores to Rs. 50·22 crores.

(b) Available information is given in Annexure [*See* Appendix CLIV, Annexure No. 29]

(c) Available information is given in statement attached . (*See* below)

(d) Government and Reserve Bank of India have taken several steps from time to time for prevention and prompt detection of frauds. Banks have also prescribed detailed accounting procedures and safeguards. Besides inspection carried out by RBI, the banks are also inspected periodically by statutory auditors, Internal Inspection and Vigilance staff of banks. Public sector banks have set up vigilance machinery under the charge of a Chief Vigilance Officer who is nominated in consultation with Central Vigilance Commission. RBI has issued circulars from time to time giving comprehensive guidelines wherein banks have been advised to strength the control mechanism with a view to eliminating scope for malpractices. There is a special Investigation Cell in the RBI for investigation of major fraud cases.

Statement

Bank-wise information about the number of cases of conviction/dismissals during the yaer 1988 *and* 1989 (*Calendar Year*) *in the public sector banks.**

Sl. No.	Name of the Public Sector Bank	No. of employees convicted/dismissed/discharged/removed	
		1988	1989
1	2	3	4
1.	State Bank of India	102	82
2.	State Bank of Bikaner & Jaipur	3	3
3.	State Bank of Hyderabad	7	5
4.	State Bank of Indore	2	..
5.	State Bank of Mysore	2	3
6.	State Bank of Patiala	13	3
7.	State Bank of Saurashtra	2	3
8.	State Bank of Travancore	2	11
9.	Allahabad Bank	13	9
10.	Andhra Bank	1	3
11.	Bank of Baroda	22	24
12.	Bank of India	8	8
13.	Bank of Maharashtra	4	6
14.	Canara Bank	40	41

1	2	3	4
15.	Central Bank of India	24	20
16.	Corporation Bank	11	6
17.	Dena Bank	4	15
18.	Indian Bank	2	10
19.	Indian Overseas Bank	36	31
20.	New Bank of India	..	2
21.	Oriental Bank of Commerce	1	5
22.	Punjab National Bank	28	26
23.	Punjab & Sind Bank	2	..
24.	Syndicate Bank	26	24
25.	Union Bank of India	7	11
26.	United Bank of India	9	4
27.	UCO Bank	13	6
28.	Vijaya Bank	6	5

*Rank-wise details are not maintained.

Raids Conducted by the Directorate of Revenue Intelligence at Calcutta

*126. SHRI SANTOSH BAGRODIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Directorate of Revenue Intelligence conducted raids at the business and residential premises of a leading jute baron in Calcutta during the month of March, 1989 ;

(b) if so, what are the details of incriminating documents, gold, cash etc. seized during the raids;

(c) what action Government have taken in the matter; and

(d) what are the names of the companies in which this jute baron is the leading schareholder ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI) : (a) The business and residential premises of a leading jute industrialist Shri Arun Bajoria in Calcutta were searched on the 16th March, 1990 by the Enforecement Directorate and not by the Directorate of Revenue Intelligence.

(b) Some documents and foreign currency worth U.S. $ 20/-, in the form of travellers cheques, were seized. Seized documents indicated that the industrialist has been maintaining two unauthorised joint accounts abroad in the names of himself and his wife for the last 10 years. The total of the credit entries in these accounts works out to about Rs. 35 crores.

(c) The industrialist was arrested on the 16th March, 1990 and was subsequently released on bail as per the order of the Calcutta High Court dated the 17th March, 1990.

(d) As per information available, the industrialist is the controlling